

109TH CONGRESS
1ST SESSION

H. R. 3744

To amend the Internal Revenue Code of 1986 to provide incentives for Americans to open their homes to fellow Americans from the Gulf Coast who were devastated by Hurricane Katrina, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 13, 2005

Mr. GONZALEZ (for himself and Mr. REYES) introduced the following bill;
which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide incentives for Americans to open their homes to fellow Americans from the Gulf Coast who were devastated by Hurricane Katrina, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Katrina Aftermath Re-
5 lief Effort Tax Credit Act”.

6 **SEC. 2. FINDINGS AND PURPOSES.**

7 (a) FINDINGS.—The Congress finds the following:

1 (1) Hurricane Katrina devastated the Gulf
2 Coast States of Louisiana, Mississippi, and Alabama
3 on August 29, 2005.

4 (2) An estimated 1,000,000 Americans from
5 the Gulf Coast were forced to flee their homes as a
6 result of Hurricane Katrina.

7 (3) Many of the displaced victims of Hurricane
8 Katrina are currently residing in shelters across the
9 country, including in Texas, Louisiana, Mississippi,
10 Alabama, Wisconsin, Arkansas, Florida, Tennessee,
11 Georgia, and other States.

12 (4) Many of these shelters, including Kelly USA
13 in San Antonio and the Astrodome in Houston, are
14 only intended to serve as temporary homes for the
15 victims of Hurricane Katrina.

16 (5) In addition to the temporary shelters,
17 Americans have opened their homes to welcome the
18 victims of Hurricane Katrina. Many Americans who
19 have opened their homes also pay expenses such as
20 food, clothing, school supplies, transportation, or
21 personal items for the benefit of those victims of
22 Hurricane Katrina residing with them.

23 (6) Due to the devastation of Hurricane
24 Katrina, many Americans from the Gulf Coast can-
25 not return to their homes for many months. As a re-

1 sult, it is necessary to find intermediate-term and
2 long-term housing for the victims of Hurricane
3 Katrina.

4 (7) Long-term housing can be difficult to locate
5 in certain areas. In addition, locating long-term
6 housing can be a lengthy process.

7 (8) Intermediate-term housing is appropriate
8 for the victims of Hurricane Katrina until long-term
9 housing can be located.

10 (9) Opening private homes to victims of Hurri-
11 cane Katrina is vital to the overall effort to find in-
12 termediate-term housing for the victims of Hurri-
13 cane Katrina.

14 (b) PURPOSES.—The purposes of this Act are as fol-
15 lows:

16 (1) To provide incentives for Americans to open
17 their homes to fellow Americans from the Gulf Coast
18 who were devastated by Hurricane Katrina.

19 (2) To partially offset expenses paid by Ameri-
20 cans who open their homes to victims of Hurricane
21 Katrina.

22 (3) To amend the Internal Revenue Code of
23 1986 to provide a tax credit to partially offset the
24 costs of food, clothing, school supplies, transpor-
25 tation, or personal items paid by Americans who

1 house victims of Hurricane Katrina for the benefit
 2 of such victims of Hurricane Katrina.

3 **SEC. 3. KATRINA AFTERMATH RELIEF EFFORT CREDIT.**

4 (a) IN GENERAL.—Subpart C of part IV of sub-
 5 chapter A of chapter 1 of the Internal Revenue Code of
 6 1986 (relating to refundable credits) is amended by redes-
 7 ignating section 36 as section 37 and by inserting after
 8 section 35 the following new section:

9 **“SEC. 36. KATRINA AFTERMATH RELIEF EFFORT CREDIT.**

10 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
 11 dividual, there shall be allowed as a credit against the tax
 12 imposed by this chapter for the taxable year an amount
 13 equal to the qualified housing support expenses paid or
 14 incurred by the taxpayer during the taxable year for the
 15 benefit of a qualified individual who resides in housing
 16 provided by the taxpayer.

17 “(b) LIMITATION.—The credit allowable under sub-
 18 section (a) for any taxable year shall not exceed \$1,000.

19 “(c) DEFINITIONS.—For purposes of this section—

20 “(1) QUALIFIED INDIVIDUAL.—The term ‘quali-
 21 fied individual’ means any individual who is dis-
 22 placed by reason of Hurricane Katrina.

23 “(2) QUALIFIED HOUSING SUPPORT EX-
 24 PENSES.—The term ‘qualified housing support ex-
 25 penses’ means any expenses paid or incurred for

1 food, clothing, school supplies, transportation, or
2 personal items of a qualified individual during the
3 period that such qualified individual resides in hous-
4 ing provided by the taxpayer.

5 “(d) SUBSTANTIATION REQUIRED.—No credit shall
6 be allowed under this section unless the taxpayer substan-
7 tiates by adequate records or by sufficient evidence cor-
8 roborating the taxpayer’s own statement—

9 “(1) the amount of the expense,

10 “(2) the time and place of the expense,

11 “(3) the purpose of the expense, and

12 “(4) the name of the qualified individual to
13 which the expense relates.

14 “(e) APPLICATION.—Subsection (a) shall apply only
15 to amounts paid or incurred during the period beginning
16 on August 29, 2005, and ending on December 31, 2006.”.

17 (b) CONFORMING AMENDMENTS.—

18 (1) The table of sections for subpart C of part
19 IV of subchapter A of chapter 1 of the Internal Rev-
20 enue Code of 1986 is amended by redesignating the
21 item relating to section 36 as an item relating to
22 section 37 and by inserting before such item the fol-
23 lowing new item:

“Sec. 36. Katrina aftermath relief effort credit.”.

1 (2) Section 1324(b)(2) of title 31, United
2 States Code, is amended by inserting “or 36” after
3 “section 35”.

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to amounts paid or incurred on
6 or after August 29, 2005.

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